

EXHIBIT 1

INTRODUCTION

Respondent Consumer Attorneys Association of Los Angeles is a membership organization in Los Angeles, California.

In 2004, during the second semi-annual campaign reporting period, Respondent made \$250,000 in political contributions, and thereby qualified as a "major donor committee" under the Political Reform Act (the "Act").¹ As such, Respondent was required to comply with specified campaign reporting provisions of the Act.

Because of the large amount of the contributions that it made, Respondent was required by the Act to file both electronic and paper versions of semi-annual campaign statements, commonly known as a "major donor statements," disclosing Respondent's campaign activity during the six-month periods January 1, 2004 through June 30, 2004 and July 1, 2004 through December 31, 2004.

As a major donor committee, Respondent was required by the Act to file a late contribution report disclosing its late contributions of \$1,000 or more within 24 hours of making them.

For the purposes of this Stipulation, Respondent's violations are stated as follows:

- COUNT 1: Respondent Consumer Attorneys Association of Los Angeles failed to file an online or electronic semi-annual campaign statement, by the January 31, 2005 due date, for the reporting period January 1, 2004 through December 31, 2004, in violation of section 84605, subdivision (a) of the Government Code.
- COUNT 2: Respondent Consumer Attorneys Association of Los Angeles failed to disclose a \$150,000 late contribution to the "No on Proposition 64" committee in a properly filed late contribution report, by the October 27, 2004 due date, in violation of section 84203, subdivision (a) of the Government Code.
- COUNT 3: Respondent Consumer Attorneys Association of Los Angeles failed to disclose a \$50,000 late contribution to the "No on Proposition 64" committee in a properly filed late contribution report, by the October 29, 2004 due date, in violation of section 84203, subdivision (a) of the Government Code.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

COUNT 4: Respondent Consumer Attorneys Association of Los Angeles failed to disclose a \$50,000 late contribution to the “No on Proposition 64” committee in a properly filed late contribution report, by the October 30, 2004 due date, in violation of section 84203, subdivision (a) of the Government Code.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Section 82013, subdivision (c) includes within the definition of “committee” any person or combination of persons who directly or indirectly makes contributions, including loans, totaling ten thousand dollars (\$10,000) or more in a calendar year to, or at the behest of, candidates or committees. This type of committee is commonly referred to as a “major donor” committee.

Section 84200, subdivision (b) requires a major donor committee to file a semi-annual campaign statement for any reporting period in which the committee made campaign contributions. The first semi-annual campaign statement covers the reporting period January 1 through June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 through December 31, and must be filed by January 31 of the following year.

Section 84605, subdivision (a) requires that a committee, as defined in subdivision (c) of Section 82013, shall file campaign statements online or electronically if it makes contributions of fifty thousand dollars (\$50,000) or more in a calendar year.

Section 82046, subdivision (b) specifies that the “period covered” by a campaign statement shall begin with the day after the closing date for the last statement filed. If a person has not previously filed a campaign statement, the period covered begins on January 1.

Under section 84203, subdivision (a), when a committee makes or receives a late contribution, the committee must disclose the contribution in a late contribution report that must be filed within 24 hours of making or receiving the contribution. Section 82036 defines a “late contribution” as a contribution aggregating \$1,000 or more that is received before an election, but after the closing date of the last pre-election statement.

Section 84215, subdivision (a) requires all major donor committees that make contributions supporting or opposing state candidates, measures, or committees to file their campaign statements with the offices of the Secretary of State, the Registrar-Recorder of Los Angeles County, and the Registrar of Voters of the City and County of San Francisco.

SUMMARY OF THE FACTS

During the semi-annual reporting period July 1, 2004 through December 31, 2004, Respondent Consumer Attorneys Association of Los Angeles made \$250,000 in campaign contributions to the "No on Proposition 64" committee. By making campaign contributions of \$10,000 or more in the 2004 calendar year, Respondent qualified as a major donor committee under section 82013, subdivision (c).

The Enforcement Division reviewed Respondent's campaign filings as part of the Enforcement Division's Streamlined Late Contribution Program. Upon discovering potential violations, Maryann Kvasager of the Enforcement Division contacted Respondent on August 19, 2005.

COUNT 1

Failure to File a Semi-Annual Campaign Statement

On January 13, 2005, Respondent filed a paper copy of its semi-annual campaign statement. Because it made contributions of \$50,000 or more in a calendar year, Respondent Consumer Attorneys Association of Los Angeles had a duty, under section 84605, subdivision (a), to file the semi-annual campaign statement electronically for the reporting period January 1, 2004 through December 31, 2004, disclosing campaign contributions made during that reporting period. Respondent failed to file a semi-annual campaign statement electronically by the January 31, 2005 due date, in violation of section 84605, subdivision (a).

COUNT 2

Failure to File a Late Contribution Report

On October 26, 2004, during the late contribution reporting period, Respondent Consumer Attorneys Association of Los Angeles made a \$150,000 contribution to the "No on Proposition 64" committee. As a major donor committee, Respondent Consumer Attorneys Association of Los Angeles had a duty, under section 84203, subdivision (a) to file a late contribution report by October 27, 2004, disclosing the \$150,000 campaign contribution made to the "No on Proposition 64" committee." Respondent failed to file a late contribution report by October 27, 2004, in violation of section 84203, subdivision (a).

COUNT 3

Failure to File a Late Contribution Report

On October 28, 2004, during the late contribution reporting period, Respondent Consumer Attorneys Association of Los Angeles made a \$50,000 contribution to the "No on Proposition 64" committee. As a major donor committee, Respondent Consumer Attorneys Association of Los Angeles had a duty, under section 84203, subdivision (a) to file a late contribution report by October 29, 2004, disclosing the \$50,000 campaign contribution made to the "No on Proposition 64" committee." Respondent failed to file a late contribution report by October 29, 2004, in violation of section 84203, subdivision (a).

COUNT 4
Failure to File a Late Contribution Report

On October 29, 2004, during the late contribution reporting period, Respondent Consumer Attorneys Association of Los Angeles made a \$50,000 contribution to the "No on Proposition 64" committee. As a major donor committee, Respondent Consumer Attorneys Association of Los Angeles had a duty, under section 84203, subdivision (a) to file a late contribution report by October 30, 2004, disclosing the \$50,000 campaign contribution made to the "No on Proposition 64" committee." Respondent failed to file a late contribution report by October 30, 2004, in violation of section 84203, subdivision (a).

Enforcement Division staff contacted Respondent Consumer Attorneys Association of Los Angeles regarding the failure to file the semi-annual statement electronically and the failure to file late contribution reports. As a condition of this stipulated settlement, Respondent has filed the amended campaign statements at all the appropriate locations.

CONCLUSION

This matter consists of four counts, which carry a maximum possible administrative penalty of Twenty Thousand Dollars (\$20,000).

This matter was excluded from the Enforcement Division's Streamlined Late Contribution Enforcement Program due to the size of the unreported contributions.

The administrative penalty imposed for late contribution reporting violations resolved outside of the Streamlined Late Contribution Enforcement Program has historically been determined on a case-by-case basis, and has varied depending on the mix of aggravating and mitigating circumstances. In this case, Respondent's violations are aggravated by the fact that Respondent committed multiple violations of the late contribution reporting requirements of the Act which serve a very important role in informing voters of eleventh-hour pre-election contributions. Respondent also has a political action committee that is aware of the Act's filing requirements, so there is no excuse for its failure to file campaign statements. Therefore, a penalty higher than that which would have been imposed under the streamlined program is appropriate.

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The facts of this case and the relatively large amount of the unreported late contribution justifies imposition of the agreed upon penalty of Twenty Thousand Dollars (\$20,000).